



**AMSELCO
EXPLORATION INC.**

1112 Mill Street
P.O. Box 891
Camden, South Carolina 29020
Telephone: (803) 432-9828

EXPLORATION HEAD OFFICE:
90 West Grove Street, Suite 100
Reno, Nevada 89509
Telephone: (702) 827-2270

July 7, 1983

Mr. Jennings G. Dorn, Sr.
Box 36
McCormick, SC 29835

Re: 454 Acres -- McCormick County, South Carolina

Dear Mr. Dorn:

Thank you for your continued interest in discussing a mineral lease on your property in McCormick County. Amselco is most interested in working out a package that will be beneficial to both parties.

Amselco proposes the following terms for a lease agreement:

- | | |
|-----------|-----------|
| A. Year 1 | \$10/acre |
| Year 2 | 15/acre |
| Year 3 | 20/acre |
| Year 4 | 25/acre |
| Year 5 | 30/acre |

From the sixth year on, an advance minimum royalty of \$16,000 per year would be paid. This allows Amselco to hold on to the lease beyond the fifth year and to compensate you fairly for the lease. A 5% "Net Smelter Return" royalty would be paid from the sale of leased substances mined from your property.

- B. An option to purchase the property at the beginning of the sixth year for \$1,500 per acre. The rental payments for the first five years would remain the same. All offers, however, are subject to approval by top management.

In order to go further into a leasing or option-type situation, Amselco will need some additional information from you. This entails a copy of the provisions of termination of the Bullen lease on your property and information concerning any and/or all mortgages and liens attached to the acreage.



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Bill Gunter and I would like to sit down with you to further discuss this matter concerning your property. We will be glad to visit you at your earliest convenience.

If either Bill or I may be of any assistance or answer any questions, please call our office. I look forward to seeing you in the near future.

Very truly yours,

Buzz Prescott

P. W. Prescott
Landman

PWP/dn

cc: Harry M. Lane
Richard F. Kazda
W. L. Gunter
File